

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NUMBER: 10562-CO11-1221-015

IN THE MATTER OF:)
)
North Pointe Insurance Company,)
 Respondent)
)
116 Pine Street, Ste 320)
Harrisburg, PA 17101)
)
Type of Action: Enforcement)
)
NAIC Number: 27740)

FILED

JAN 27 2012

STATE OF INDIANA
DEPT. OF INSURANCE

FINAL ORDER

The Indiana Department of Insurance ("Department") and North Pointe Insurance Company, ("Respondent") an insurance company authorized to conduct business in the State of Indiana, signed an Agreed Entry which purports to resolve all issues involved in the actions by the Department regarding Respondent's Certificate of Authority, and which has been submitted to the Commissioner of Insurance ("Commissioner") for approval.

The Commissioner, after reviewing the Agreed Entry, finds it has been entered into fairly and without fraud, duress or undue influence, and is fair and equitable between the parties. The Commissioner hereby incorporates the Agreed Entry as if fully set forth herein, and approves and adopts in full the Agreed Entry as attached as Exhibit A as a resolution of this matter.

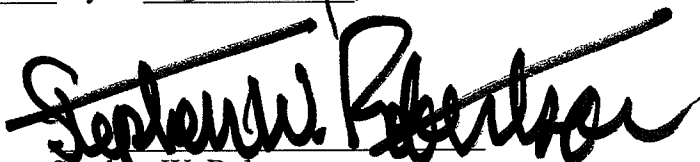
IT IS THEREFORE ORDERED, by the Commissioner of Insurance:

1. Respondent was the subject of a complaint by an Indiana consumer.
2. Respondent initially failed to fully co-operate with the Department in their investigation of the complaint.

3. Respondent failed to acknowledge and act reasonably promptly upon communications with respect to claims under insurance policy in violation of Indiana Code 27-4-1-4.5(2).
4. Respondent failed to implement reasonable standards for the prompt investigation of claims arising under insurance policies in violation of Indiana Code 27-4-1-4.5(4).
5. Respondent failed to undertake and review a pre-loss underwriting inspection of the consumer's residence within a reasonable time. The consumer had paid for the inspection as part of their policy premium. The inspection was completed by a vendor selected by the Respondent, and forwarded to the Respondent three (3) months prior to the date of loss.
6. Respondent has returned \$25.00 paid for inspection fees to seven Indiana homeowner policyholders and \$50.00 paid for inspection fees to eight Indiana homeowner policyholders where the inspections and reviews were not completed within 365 days of the inception of the homeowner's policies.
7. Respondent will pay an Administrative Fine in the amount of Twenty Five Thousand dollars (\$25,000.00) within thirty (30) days of the filing of the Commissioner's Final Order.
8. Respondent has implemented a number of improvements to their claims handling processes. Each Indiana claim will be diaried and reviewed every thirty (30) days, and a status letter or e-mail update will be given to the insured. All claims with coverage issues or other "red flag" indicators will be referred to management and be reviewed by a manager or supervisor every thirty (30) days, and the claim file noted accordingly. The Respondent will ensure that all Department of Insurance Complaints will be reviewed by management prior to a response being provided to the Department. The response to the Department will be prepared by Respondent's counsel.

9. Respondent has retained the services of a specialist Special Investigation Unit (SIU) vendor to provide additional training and support to their claims units to assist their adjusters in identifying and handling files with "red flag" indicators. This process will also fully comply with all state mandated fraud reporting statutes.
10. Respondent has settled the loss that was the subject of the original consumer complaint in the sum of Fifty Thousand Dollars (\$50,000.00), to the full satisfaction of the Indiana Consumer and the Department.
11. The Department agrees to accept Respondent's compliance with the terms of this Order as full and final resolution of the complaint.

ALL OF WHICH IS ORDERED this 27th day of January, 2012.


Stephen W. Robertson,
Commissioner
Indiana Department of Insurance

Distribution:

Nikolas P. Mann.
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

North Pointe Insurance Company,
Attn: Barbara Hodgins
116 Pine Street, Ste 320
Harrisburg, PA 17101

Terence G. Trapane,
Attorney At Law
9111 Broadway, Suite DD
Merrillville, IN 46410

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
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CAUSE NUMBER:10562-CO11-1221-015

IN THE MATTER OF:

North Pointe Insurance Company,
Respondent

116 Pine Street, Ste 320
Harrisburg, PA 17101

Type of Action: Enforcement

NAIC Number: 27740

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JAN 27 2012

STATE OF INDIANA
DEPT. OF INSURANCE

AGREED ENTRY

This Agreed Entry is executed by North Pointe Insurance Company (hereafter referred to as "Respondent") and Nikolas P. Mann, Attorney, Deputy Commissioner, Enforcement Division for the Indiana Department of Insurance (the "Department") to resolve all issues in the above cause number. This Agreed Entry is subject to the review and approval of the Commissioner of the Indiana Department of Insurance.

WHEREAS, Respondent Insurance Company is a Pennsylvania domiciled insurance company; and,

WHEREAS, Respondent has a Certificate of Authority in the State of Indiana; and,

WHEREAS, Respondent issues residential insurance policies in Indiana; and,

WHEREAS, Respondent was the subject of a complaint by an Indiana consumer; and,

WHEREAS, the Department and Respondent desire to resolve their differences and settle the issues without the necessity of a hearing:

IT IS, THEREFORE, NOW AGREED by the parties as follows:

1. The Commissioner has subject matter jurisdiction over the matters at issue in connection with this Agreed Entry and personal jurisdiction over Respondent.
2. This Agreed Entry is executed voluntarily by the parties.
3. Respondent voluntarily and freely waives the right to a public hearing.
4. Respondent voluntarily and freely waives the right to petition for judicial review of this Agreed Entry and the Commissioner's Final Order.
5. Respondent was the subject of a complaint by an Indiana consumer.
6. Respondent initially failed to fully co-operate with the Department in their investigation of the complaint.
7. Respondent failed to acknowledge and act reasonably promptly upon communications with respect to claims under insurance policy in violation of Indiana Code 27-4-1-4.5(2).
8. Respondent failed to implement reasonable standards for the prompt investigation of claims arising under insurance policies in violation of Indiana Code 27-4-1-4.5(4).
9. Respondent failed to undertake and review a pre-loss underwriting inspection of the consumer's residence within a reasonable time. The consumer had paid for the inspection as part of their policy premium. The inspection was completed by a vendor selected by the Respondent, and forwarded to the Respondent three (3) months prior to the date of loss.
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policyholders where the inspections and reviews were not completed within 365 days of the inception of the homeowner's policies.

11. Respondent has implemented a number of improvements to their claims handling processes. Each Indiana claim will be diaried and reviewed every thirty (30) days, and a status letter or e-mail update will be given to the insured. All claims with coverage issues or other "red flag" indicators will be referred to management and be reviewed by a manager or supervisor every thirty (30) days, and the claim file noted accordingly. The Respondent will ensure that all Department of Insurance Complaints will be reviewed by management prior to a response being provided to the Department. The response to the Department will be prepared by Respondent's counsel.
12. Respondent has retained the services of a specialist Special Investigation Unit (SIU) vendor to provide additional training and support to their claims units to assist their adjusters in identifying and handling files with "red flag" indicators. This process will also fully comply with all state mandated fraud reporting statutes.
13. Respondent has settled the loss that was the subject of the original consumer complaint in the sum of Fifty Thousand Dollars (\$50,000.00), to the full satisfaction of the Indiana Consumer and the Department.
14. Respondent will pay an Administrative Fine of Twenty Five Thousand Dollars (\$25,000.00). This amount is payable within thirty (30) days of the Commissioner's Final Order.
15. The Department agrees to accept Respondent's compliance with the terms of this Agreed Entry as a full resolution of this matter.
16. Respondent has carefully read this Agreed Entry and fully understands and accepts its terms.

17. Should this Agreed Entry not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Agreed Entry by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation in or resolution of these proceedings.

18. Respondent has been represented by counsel, Terence G. Trapani, throughout this matter.

1/23/12
Date Signed

Nikolas P. Mann
Nikolas P. Mann, Attorney
Indiana Department of Insurance

1/9/2012
Date Signed

Barbara Hodgins
Barbara Hodgins, Property Claims Supervisor,
North Pointe Insurance Company

STATE OF MICHIGAN)
) SS:
COUNTY OF OAKLAND)

Before me a Notary Public for OAKLAND County, State of MI,
personally appeared BARBARA HODGINS,
and being first duly sworn by me upon his/her oath, says that the facts alleged in the foregoing
instrument are true.

Signed and sealed this 9th day of January, 2012.

Mary T. Charland
Signature

Printed

MARY T. CHARLAND
NOTARY PUBLIC, STATE OF MI
COUNTY OF OAKLAND
MY COMMISSION EXPIRES JUL 11, 2017
ACTING IN COUNTY OF OAKLAND

My Commissioner expires: _____

County of Residence: _____